

# **CALIFORNIA BOARD OF ACCOUNTANCY REGULATIONS**

## **CALIFORNIA CODE OF REGULATIONS TITLE 16. Professional and Vocational Regulations DIVISION 1. Board of Accountancy Regulations**

### **ARTICLE 2. EXAMINATIONS**

(Sections 6 - 14)

#### **Section 6. Examination Required, Passing Grades, Provisions for Disabled Applicants.**

(a) Every candidate for the CPA license is required to pass or to have passed the Uniform Certified Public Accountant Examination prepared by the American Institute of Certified Public Accountants or to otherwise have met the examination requirements of- Business and Professions Code Sections 5082, 5092, or 5093 and the requirements of this article.

(b) The passing score for any section of the Uniform Certified Public Accountant Examination is 75.

(c) A disabled candidate, upon request and presentation of satisfactory evidence of need, in accordance with the Americans with Disabilities Act will be afforded such accommodation in the examination procedures or the examination conditions as may be reasonable.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 313.2, 5082, 5082.1, 5082.3, 5092, and 5093, Business and Professions Code.

#### **HISTORY:**

1. Amendment filed 6-18-68; effective thirtieth day thereafter (Register 68, No. 23). For prior history, see Register 64, No. 15.
2. Amendment filed 12-24-69; effective thirtieth day thereafter (Register 69, No. 52).
3. Amendment filed 1-26-79; effective thirtieth day thereafter (Register 79, No. 4).
4. Amendment filed 4-12-83, effective thirtieth day thereafter (Register 83, No. 16).
5. Amendment of section heading, text and Note filed 3-14-94; operative 4-14-94 (Register 94, No. 11).
6. Redesignation and amendment of first paragraph as subsection (a), amendment of subsection (b) and Note filed 2-26-96; operative 3-27-96 (Register 96, No. 9).
7. Change without regulatory effect amending subsection (a) filed 1-12-2000 pursuant to section 100, 5title 1, California Code of Regulations, (Register 2000, No. 2).
8. Amendment of section and Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

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### **Section 6.1. Additional Requirements for Computer-Based Testing.**

Upon the commencement of computer-based testing in California, applicants are responsible for contacting the National Association of State Boards of Accountancy to obtain a Notice to Schedule pursuant to Section 8.1 and the examination test centers to obtain a date to examine. Applicants shall pay all required fees and comply with test center procedures and rules.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5082, 5082.1, 5082.2, 5092, 5093, and 5131, Business and Professions Code.

#### HISTORY:

1. Amendment filed 1-23-2004; operative 1-23-2004.

### **Section 7. Conditional Examination Credit Requirements for Applicants Who Will be Applying for Licensure Pursuant to Business and Professions Code Section 5090(b).**

(a) A candidate who passes two or more subjects at any examination shall receive a conditional credit for such subject or subjects and shall have the right to be re-examined in the remaining subject or subjects for the six (6) examinations immediately following receipt of such conditional credit and, if such remaining subject or subjects are passed during the six subsequent examinations, the candidate shall be considered to have passed the examination.

(b) The conditional period in subsection (a) may be extended by the Board upon a showing of extraordinary extenuating circumstances which prevented the applicant from retaking the examination in such period.

(c) Time during which a candidate is serving in the armed forces shall be excluded in determining the conditional period in subsection (a) unless the candidate takes an examination while so serving, in which case such time shall be included in computing the conditional period.

(d) This section shall become inoperative on January 1, 2010.

(e) Upon commencement of the computer-based Uniform Certified Public Accountant Examination, candidates holding conditional credit under this section may complete the examination pursuant to Section 7.2.

NOTE: Authority cited: Sections 5010 and 5018, Business and Professions Code. Reference: Sections 114, 5082, 5082.2, and 5090, Business and Professions Code.

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### HISTORY:

1. Renumbering and amendment of former section 7 to section 5.1 and renumbering and amendment of section 17 to section 7 filed 4-12-83; effective thirtieth day thereafter (Register 83, No. 16). For prior history, see Registers 79, No. 49 and 75, No. 33.
2. Amendment of subsection (a) filed 3-14-94; operative 4-13-94 (Register 94, No. 11).
3. Amendment of subsections (a) and (b), repealer of subsection (d) and amendment of Note filed 2-26-96; operative 3-27-96 (Register 96, No. 9).
4. Amendment of section heading, new subsection (d) and amendment of Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).
5. New section filed 1-23-2004; operative 1-23-2004.
6. Change without regulatory effect amending subsection (d) filed 10-11-2005 pursuant to section 100, title 1, California Code of Regulations (Register 2005, No. 41).

### **Section 7.1 Credit Status for the Computerized Uniform CPA Examination.**

(a) Upon the commencement of computer-based testing in California, an applicant may sit for the four sections of the computer-based Uniform Certified Public Accountant Examination individually and in any order. An applicant who fails to pass any section of the examination may retake that section. When the applicant has credit for all four sections of the examination within an 18-month period as defined in subsection (b), the applicant shall be considered to have passed the examination.

(b) Except as provided in subsections (c) and (d), an applicant shall retain credit for any section the applicant has passed for an 18-month period beginning with the date that the section of the exam was passed. At the end of the 18-month period, credit for that section expires, and that section must be re-taken and passed to re-establish credit.

(c) A first-time applicant who passes any section of the computer-based Uniform Certified Public Accountant Examination during the six months immediately following commencement of computer-based testing in California shall retain credit for that section for a 24-month period beginning with the date the section of the exam was passed. At the end of the 24-month period, credit for that section expires. The section may be re-taken pursuant to subsection (b) of this section.

(d) A candidate may sit for any unpassed section of the examination only one time during each testing window. A testing window is a three-month period as determined by the American Institute of Certified Public Accountants during which applicants may take the exam. There are four three-month testing windows in a year. To allow for routine maintenance, the exam may be unavailable for up to one month during each testing window.

(e) Credit for passed examination sections may be extended by the Board because the applicant was prevented from sitting for an unpassed section or sections before credit for

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passed sections expired pursuant to subsections (b) or (c) because of one of the following events:

- (1) Death of an immediate family member. Documentation, such as a copy of the death certificate, must be submitted.
- (2) Catastrophic illness, contagious disease, or major traumatic injury to the candidate or immediate family member (spouse, child or parent). Submit an original letter on letterhead from the physician, which includes the date(s), nature of the illness, and the physician's signature.
- (3) Natural disaster (earthquake, flood, fire, etc.).
- (4) Non-issuance of visa for travel to the U.S. Documentation, such as an official letter from the U.S. Embassy or a copy of the passport indicating a visa was requested, must be submitted.
- (5) Other good cause.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1 and 5082.2, 5092 and 5093, Business and Professions Code.

### HISTORY:

1. New section filed 1-23-2004; operative 1-23-2004.
2. Change without regulatory effect repealing subsection (d), relettering subsections and amending Note filed 10-11-2005 pursuant to section 100, title 1, California Code of Regulations (Register 2005, No. 41).

### Section 7.2. Transition to Computer-Based Testing.

(a) Upon commencement of computer-based testing in California, a candidate who has already passed two or more sections of the examination in accordance with the requirements of Section 5092 or 5093 of the Business and Professions Code or Section 7 of these regulations will receive credit for the computer-based equivalent of those sections as specified in subsection (b). This credit will expire 18 months after commencement of computer-based testing in California. During this 18 month period, a candidate will have the same number of opportunities to sit for the exam as the candidate would have had to take the paper-and-pencil exam.

(b) This table indicates the computer-based equivalent of the sections of the paper-and-pencil Uniform Certified Public Accountant Examination:

Paper-and-Pencil Examination	Computer-Based Examination
Auditing	Auditing & Attestation
Financial Accounting & Reporting (FARE)	Financial Accounting & Reporting
Accounting & Reporting (ARE)	Regulation
Business Law & Professional Responsibilities (LPR)	Business Environment & Concepts

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(c) A candidate who does not pass the examination in accordance with subsection (a) will retain credit for sections of the computerized exam passed by the candidate in accordance with subsection (b) of Section 7.1.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1 and 5082.2, 5090, 5092 and 5093, Business and Professions Code.

### HISTORY:

1. New section filed 1-23-2004; operative 1-23-2004.

### **Section 8. Examination Final Filing Dates.**

(a) During the time the Uniform CPA Examination is a paper and pencil examination, applications for the Uniform CPA Examination must be received by the Board at its office or postmarked on or before the below final filing dates in order to be accepted for that exam. Applications postmarked after the final filing dates listed in this section shall be rejected and returned to the applicant. Meter marks are not acceptable proof of mailing.

#### (b) First-time Applicant Final Filing Date.

(1) The final filing date for applicants who have never sat for the Uniform CPA Exam in California shall be February 1 for the May examination, or August 1 for the November examination. If the examination final filing date falls on a Sunday or a National holiday on which the United States Postal Service is not open, the final filing date will be the next business day.

(2) The application must be complete, including official transcripts and/or foreign evaluations pursuant to Section 9 or Section 9.2, and the appropriate fees, or it shall be rejected by the Board and the applicant will not be scheduled to sit for the examination.

#### (c) Repeat Applicant Final Filing Date.

(1) The final filing date for applicants who have previously taken the Uniform CPA Exam in California shall be March 1 for the May examination, or September 1 for the November examination. If the examination final filing date falls on a Sunday or a National holiday on which the United States Postal Service is not open, the final filing date will be the next business day.

(2) The application must be complete including the appropriate fees or it shall be rejected by the Board and the applicant will not be scheduled to sit for the examination.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1 and 5082.2, 5092 and 5093, Business and Professions Code.

### HISTORY:

1. New section filed 5-9-2000; operative 6-8-2000 (Register 2000, No. 19). For prior history, see Register 74, No. 15.

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2. New subsection designators, amendment of newly designated subsection (b)(2) and amendment of Note filed 6-12-2005; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

3. Amendment filed 1-23-2004; operative 1-23-2004.

### **Section 8.1. The Authorization to Test and Notice to Schedule for the Computer-Based Uniform CPA Examination.**

(a) An Authorization to Test (ATT) is issued by the Board to permit the applicant to test for specified sections of the computer-based Uniform Certified Public Accountant Examination. An ATT for a specified section or sections of the exam shall go into effect (be open) on the date of issuance. Within 90 calendar days of the date the ATT is issued, the applicant must remit the required fees to the National Association of State Boards of Accountancy to obtain a Notice to Schedule (NTS) pursuant to Section 6.1. If the applicant fails to remit fees and obtain the NTS, the ATT shall be deemed expired and the applicant must reapply and be issued another ATT to be able to test for that section.

(b) The NTS will enable the applicant to schedule testing at an examination test center. Except as provided in subsection (e), the NTS shall remain open until either the applicant schedules testing for the specified section(s) or nine months have transpired since the date the NTS was issued, whichever occurs first. The ATT will remain open until the applicant completes testing for the specified section(s) or nine months have transpired since the date the NTS was issued, whichever occurs first.

(c) If for any reason an applicant does not pass a section of the exam during the time the applicant holds an open ATT for that section, the applicant cannot test for that section until the applicant reapplies and is issued another ATT for that section pursuant to Section 8.2.

(d) An ATT may be suspended by the Board based on a report from the National Association of State Boards of Accountancy that its National Candidate Database has identified that the applicant holds another open ATT for the same section of the exam, has unpaid fees, or may have engaged in subversion of the exam. An ATT may also be suspended by the Board for other good cause.

(e) The nine-month time periods specified in subsection (b) may be extended by the Board because the applicant was prevented from testing due to one of the following events:

(1) Death of an immediate family member, when accompanied by documentation, such as a copy of the death certificate.

(2) Catastrophic illness, contagious disease, or major traumatic injury to the candidate or immediate family member (spouse, child or parent), when accompanied by an original letter on letterhead from the physician, which includes the date(s), nature of the illness, and the physician's signature.

(3) Natural disaster (earthquake, flood, fire, etc.).

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(4) Non-issuance of visa for travel to the U.S., when accompanied by documentation, such as an official letter from the U.S. Embassy or a copy of the passport indicating a visa was requested.

(5) Other good cause.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092, 5093, and 5131, Business and Professions Code.

### HISTORY:

1. New section filed 1-23-2004; operative 1-23-2004.
2. Amendment of subsection (b) and new subsections (e)-(e)(5) filed 5-2-2006; operative 5-31-2006 (Register 2006, No. 18).

### **Section 8.2. Requirements for Issuance of the Authorization to Test.**

(a) An application for an Authorization to Test (ATT) for the computer-based Uniform CPA Examination pursuant to Section 8.1 must be complete including the candidate's name, application date, date of birth, address, telephone number, summary of education, the appropriate fees pursuant to Section 70, and a signature (or the electronic equivalent) authorizing the release of application information to the National Association of State Boards of Accountancy and the designated exam administrator. The application must also specify the section(s) of the exam the applicant is applying to take. First-time applicants must also provide official transcripts and/or foreign evaluations pursuant to Section 9.2.

(b) An applicant shall not have more than one open ATT for any section of the examination at the same time. At the time of application and during the time any ATT issued by the California Board of Accountancy is open, the applicant shall not have an open ATT for the same section in any other state or jurisdiction.

(c) The applicant shall not apply to take, or take, any section or sections of the examination for which the applicant holds unexpired credit pursuant to Sections 7.1 or 7.2, with the following exceptions:

(1) An applicant may reapply and retake the examination pursuant to Section 13(b) or Section 14(b) of these regulations.

(2) An applicant for reissuance who does not currently hold a Certified Public Accountant license in another jurisdiction may retake the examination pursuant to Section 37 of these regulations.

(d) The applicant shall certify at the time of application that he or she is in compliance with subsections (b) and (c). Falsifying this certification; or including any false, fraudulent, or materially misleading statements on the application for the examination; or including any material omission on the application for the examination shall be cause for action by the Board pursuant to Business and Professions Code 5110.

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(e) Except for a CPA who is required to take specified sections of the examination pursuant to a disciplinary action of the Board, no CPA shall apply to take, or take, any section of the Uniform Certified Public Accountant Examination. A CPA who fails to comply with this requirement shall be subject to disciplinary action by the Board.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5082, 5082.1, 5082.2, 5092, 5093, and 5131, Business and Professions Code.

### HISTORY:

1. New section filed 1-23-2004; operative 1-23-2004.

### **Section 9. Educational Requirements for Applicants Who Will be Applying for Licensure Pursuant to Business and Professions Code Section 5090(b).**

Each applicant must present satisfactory evidence that he or she meets the requirements set forth in Section 5081.1 of the Business and Professions Code. Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record mailed directly to the Board from the educational institution; however, in unusual circumstances the board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

For purposes of Business and Professions Code Sections 5081.1 and 5084, one quarter unit is equivalent to 2/3 of one semester unit.

(a) To qualify under the provisions of Section 5081.1(a), an applicant shall have a baccalaureate degree with 45 semester units or the equivalent in quarter units including at least 10 semester units or the equivalent in quarter units of audit and accounting subjects. The remaining units may include additional accounting, auditing, or other business related subjects such as: economics, management, finance, business administration, marketing, computer science, law, business communications, mathematics, tax and statistics.

(b) To qualify under the provisions of Section 5081.1(b), an applicant shall complete 120 semester units or the equivalent in quarter units, including 45 semester units or the equivalent in quarter units of accounting and related subjects, as described in subsection (a).

(c) To qualify under the provisions of Section 5081.1(c):

(1) an applicant shall complete foreign education that is equivalent to the education required by subsection (b) or foreign and US education that, in combination, is equivalent to subsection (b); or

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(2) an applicant shall pass a board approved preliminary written examination as specified by Section 5081.1(c) of the Business and Professions Code and complete 10 semester units or the equivalent in quarter units of audit and accounting subjects.

(d) This section shall become inoperative on January 1, 2010.

NOTE: Authority cited: Section 5010, Business and Professions Code. Reference: Sections 5081, 5081.1, 5084, and 5090, Business and Professions Code.

### HISTORY:

1. Amendment filed 2-4-60; effective thirtieth day thereafter (Register 60, No. 3).
2. Amendment filed 1-26-79; effective thirtieth day thereafter (Register 79, No. 4).
3. Amendment filed 4-12-83; effective thirtieth day thereafter (Register 83, No. 16).
4. Amendment of section heading and section filed 5-10-2000; operative 6-9-2000 (Register 2000, No. 19).
5. Amendment of section heading, new subsection (d) and amendment of Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code Section 11343.4 (Register 2002, No. 24).
6. Change without regulatory effect amending subsection (d) filed 10-11-2005 pursuant to section 100, title 1, California Code of Regulations (Register 2005, No. 41).

### **Section 9.1. Approved Credential Evaluation Service Status.**

(a) To receive and to maintain Board approval, a credentials evaluation service shall:

- (1) Be a member of the American Association of Collegiate Registrars and Admission Officers, the National Association for Foreign Student Affairs: Association of International Educators, or the National Association of Credential Evaluation Services;
- (2) Furnish the Board with a copy of its current written procedure for identifying fraudulent transcripts, and comply with that procedure;
- (3) Furnish the Board with a list of its reference materials including the title of each reference, its publisher, and the date of publication, and certify that the references are adequate to prepare complete, accurate evaluations and are the most current editions available;
- (4) Furnish the Board with biographical information on evaluators and translators, including a list of languages spoken and years in service. The service shall have at least one senior staff member with not less than five years of foreign student college admission experience or closely related credential evaluation experience at all academic levels;
- (5) Furnish the Board with its organization chart showing the ratio of senior staff members to junior staff members is, at most, one to five, and shall not exceed that ratio;
- (6) Furnish the Board with written evidence that a minimum of 50% of the evaluations performed by junior staff members are reviewed by senior staff members, and shall maintain at least that minimum;
- (7) Furnish the Board with statistical information on the number of applications processed annually for the past five years;

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- (8) Furnish the Board with a list of at least three accredited colleges and universities or other licensing agencies using its services;
- (9) Furnish the Board with three letters of reference, written within the last year, from public or private agencies;
- (10) Furnish the Board with a copy of its appeal procedure for applicants, and comply with that procedure;
- (11) Furnish evaluations to the Board that comply with the requirements of this section;
- (12) For the initial application, furnish the Board with sample evaluations prepared for other agencies.

(b) Each evaluation provided by the Board approved service shall:

- (1) Affirm in a written statement that the evaluation is based only upon authenticated, original transcripts and degrees;
- (2) Include certified copies of all original transcripts;
- (3) Be furnished directly to the Board, in English; on tamper-proof paper,
- (4) Include a report of each degree held by the applicant along with the equivalent degree offered in the United States, the date the degree was granted and the institution granting the degree;
- (5) Include a listing of the course titles with the semester unit equivalent for each course.

(c) The credentials evaluation service shall report to the Board annually whether it has undergone any organizational changes. Approval issued under this section shall expire five years after the date of issuance unless renewed by the Board prior to its expiration by meeting the requirements in subsection (a). Approval may be withdrawn at any time if the credentials evaluation service fails to comply with any of the requirements of this section or of the provisions of paragraph (2) of subdivision (a) of Section 5081.1 of the Accountancy Act.

NOTE: Authority cited: Sections 5010 and 5081.1, and 5094, Business and Professions Code. Reference: Section 5081.1 and 5094, Business and Profession Code.

### HISTORY:

- 1. New section filed 5-10-2000; operative 6-9-2000 (Register 2000, No. 19).
- 2. Amendment of Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

### **Section 9.2. Education Required Under Business and Professions Code Sections 5092 and 5093.**

(a) Each applicant shall present satisfactory evidence that he or she has received a baccalaureate or higher degree, has completed the accounting subjects specified in subsection (b) of this section, and has completed the business-related subjects specified in subsection (c) of this section.

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(b) The applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following accounting subjects: accounting, auditing, financial reporting, external or internal reporting, financial statement analysis or taxation.

(c) In addition to the accounting courses described in subsection (b), an applicant shall have completed a minimum of 24 semester units, or the equivalent in quarter units, selected from the following business-related subjects: accounting subjects in excess of the 24 semester units as described in subsection (b), business administration, economics, finance, business management, marketing, computer science/information systems, statistics, business communications, mathematics, business law, or business related law courses offered by an accredited law school.

(d) Qualifying education shall be completed within the following time frames specified in this subsection:

(1) Except as provided for in subsection (d)(2), applicants shall complete the education required by this section before applying for examination for the first time.

(2) An applicant who applied, qualified, and sat for at least two subjects of the examination for the Certified Public Accountant License before May 15, 2002, may provide evidence of qualifying education at the time of application for licensure.

(e) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(f) For purposes of this section, one quarter unit is equivalent to two-thirds of one semester unit.

NOTE: Authority cited: Sections 5010, 5092, and 5093, Business and Professions Code.  
Reference: Sections 5092 and 5093, Business and Professions Code.

### HISTORY:

1. New section filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

2. Change without regulatory effect amending subsection (d)(2) filed 10-11-2005 pursuant to section 100, title 1, California Code of Regulations (Register 2005, No. 41).

## Section 10. Examination on Rules of Professional Conduct.

All applicants for a certified public accountant license shall pass an examination in professional ethics, acceptable to the Board, before such license is to be issued. This

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professional ethics examination shall be passed no sooner than two years prior to the Board's consideration of the application for licensure.

NOTE: Authority cited: Sections 5010 and 5018, Business and Professions Code.  
Reference: Sections 5018, 5082, 5092, and 5093, Business and Professions Code.

### HISTORY:

1. Renumbering and amendment of former Section 18 to Section 10 filed 4-12-83; effective thirtieth day thereafter (Register 83, No. 16). For prior history, see Registers 79, No. 4 and 69, No. 47.
2. Amendment files 2-26-96; operative 3-27-96 (Register 96, No 9).
3. Amendment of Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

### **Section 11.5. Experience Requirements for Applicants Who Will be Applying for Licensure Pursuant to Business and Professions Code Section 5090(b).**

Applicants may be required to appear before the Qualifications Committee and present work papers, or other evidence, substantiating that their experience meets the requirements of Section 5083 of the Business and Professions Code.

(a) In order to meet the attest experience requirements as set forth in Section 5083, the applicant shall show to the satisfaction of the Board that his/her experience has included all the following:

- (1) Experience in the planning of the audit including the selection of the procedures to be performed.
- (2) Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.
- (3) Experience in the preparation of working papers in connection with the various elements of (1) and (2) above.
- (4) Experience in the preparation of written explanations and comments on the work performed and its findings.
- (5) Experience in the preparation of and reporting on full disclosure financial statements.

(b) The applicant, pursuant to Section 5087 of the Accountancy Act, may be considered to have met the experience requirement for licensure when the applicant can show to the satisfaction of the Board that (s)he has been engaged in the practice of public accounting as a licensed certified public accountant in another state for five of the ten years preceding the date of application for a California license.

(c) The applicant who is applying with public accounting experience obtained outside the United States and its territories must present work papers substantiating that such experience meets the requirements of Rule 11.5(a) and generally accepted auditing standards. Alternatively, the applicant may acquire one year of United States experience

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which meets the requirements of Business and Professions Code Section 5083 and Rule 11.5(a).

(d) The applicant who is applying with experience obtained five (5) or more years prior to application will be required to obtain 48 hours of continuing education courses in specific areas prescribed by the Board.

(e) The experience required by Section 5083 may be obtained in full-time or part-time employment. In evaluating an applicant's experience, 170 hours of part-time employment shall be considered equivalent to one month of full-time employment.

(f) This section shall become inoperative on January 1, 2010.

NOTE: Authority cited: Sections 5010, 5018, and 5083, Business and Professions Code.  
Reference: Sections 5023 and 5083, and 5090, Business and Professions Code.

### HISTORY:

1. New section filed 6-29-48, effective thirtieth day thereafter (Register 13, No. 1).
2. Amendment filed 2-4-60; effective thirtieth day thereafter (Register 60, No. 3).
3. New subsection (c) filed 1-26-79; effective thirtieth day thereafter (Register 79, No. 4).
4. Amendment filed 10-15-80; effective thirtieth day thereafter (Register 80, No. 42).
5. Amendment of section filed 9-23-91; operative 10-23-91 (Register 91, No. 52).
6. New subsection (c), subsection redesignation and amendment of new subsection (d) filed 11-30-93, operative 12-30-93 (Register 93, 49).
7. Amendment of section and Note filed 2-26-96, operative 3-27-96 (Register 96, No. 9).
8. Repealer and new subsection (b) and amendment of subsection (e) filed 11-20-98; operative 12-20-98 (Register 98, No. 47).
9. Amendment of section heading, new subsection (f) and amendment of Note filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).
10. Change without regulatory effect amending subsection (f) filed 10-11-2005 pursuant section 100, title 1, California Code of Regulations (Register 2005, No. 41).

### **Section 12. General Experience Required Under Business and Professions Code Sections 5092 and 5093.**

(a) In order to meet the experience requirement of Section 5092 or Section 5093 of the Business and Professions Code, experience must be supervised by a person holding a valid license or comparable authority to practice public accounting as specified in subdivision (d) of Section 5092 or subdivision (d) of Section 5093.

(1) Experience shall be verified by the person supervising the experience and by a second person with a higher level of responsibility in the firm or agency. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the firm holding a valid license or comparable authority to practice public accounting. If

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the person supervising the experience is also an owner of the public accounting firm, no second signature is required. If the experience is obtained at a private business, no second signature is required if the person supervising the experience is also an owner of the private business.

(2) Experience may not be supervised by a licensee who provides public accounting services to the applicant's employer.

(3) All verifications shall be signed under penalty of perjury.

(b) The experience required by Section 5092 or Section 5093 involves providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. Qualifying experience may be gained through employment in public practice, industry, or government. Experience acquired in academia is not qualifying.

(c) The experience required by Section 5092 or Section 5093 of the Business and Professions Code may be obtained in full-time or part-time employment provided the total experience completed by the applicant is the equivalent of at least two years of full time employment for an applicant qualifying under Section 5092 or at least one year of full time employment for an applicant qualifying under Section 5093. In evaluating an applicant's experience, 170 hours of part-time employment shall be considered equivalent to one month of full-time employment.

(d) An applicant who is applying under Section 5092 or Section 5093 of the Business and Professions Code with experience obtained five (5) or more years prior to application will be required to obtain 48 hours of continuing education in specific areas prescribed by the Board.

NOTE: Authority cited: Sections 5010, 5092, and 5093, Business and Professions Code.  
Reference: Sections 5092 and 5093.

### HISTORY:

1. New section filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24). For prior history, see Register 83, No. 16.
2. Redesignation of portions of subsection (a) as new subsections (a)(1) and (a)(3) and new subsection (a)(2) filed 7-19-2004; operative 8-18-2004 (Register 2004, No. 30).
3. Amendment of subsection (c), repealer of subsection (e) and amendment of Note filed 5-1-2006; operative 5-31-2006 (Register 2006, No. 18).

## CALIFORNIA BOARD OF ACCOUNTANCY REGULATIONS

### **Section 12.5. Attest Experience Under Business and Professions Code Section 5095.**

(a) To be authorized to sign reports on attest engagements pursuant to Business and Professions Code Section 5095, an applicant for a California Certified Public Accountant license pursuant to Business and Professions Code Section 5087, 5092, or 5093 or holder of an unexpired California Certified Public Accountant license issued pursuant to Business and Professions Code Section 5087, 5092, or 5093 shall show to the satisfaction of the Board that he or she meets the requirements of this section and Business and Professions Code Section 5095.

(1) Some or all of the experience required by Section 5095 and this section may be completed prior to issuance of the California Certified Public Accountant license. Any experience that would be qualifying for purposes of Section 5095 and this section may also serve as qualifying experience for purposes of Section 5083, 5092, or 5093. To be qualifying for purposes of Section 5095 and this section, any experience obtained after issuance of the California Certified Public Accountant license must be obtained while the license is held in active status.

(2) A holder of an active California Certified Public Accountant license may commence signing reports on attest engagements upon receipt of notification from the Board that he or she has met the requirements of this section and Business and Professions Code Section 5095. A holder of an inactive California Certified Public Accountant license may apply under this section, but must convert the license to active status before commencing to sign reports on attest engagements.

(3) An applicant for the California Certified Public Accountant license who has met the requirements of this section and Business and Professions Code Section 5095 may commence signing reports on attest engagements upon license issuance.

(b) In order to meet the attest experience requirements of Section 5095 an applicant for or holder of a California Certified Public Accountant license shall show to the satisfaction of the Board that the applicant has completed a minimum of 500 hours of attest experience. This experience shall include all of the following:

(1) Experience in the planning of the audit including the selection of the procedures to be performed.

(2) Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.

(3) Experience in the preparation of working papers in connection with the various elements of (1) and (2) above.

(4) Experience in the preparation of written explanations and comments on the work performed and its findings.

(5) Experience in the preparation of and reporting on full disclosure financial statements.

(c) In order to be qualifying, experience obtained pursuant to Section 5095 of the Business and Professions Code must be supervised by a person holding a valid license or

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comparable authority to provide attest services as specified in subdivision (b) of Business and Professions Code Section 5095.

(1) Experience shall be verified by the supervisor and by a second person with a higher level of responsibility in the firm or agency. The verification shall be signed by both persons under penalty of perjury. If the experience is obtained in public accounting, the second person signing the verification shall be an owner of the firm holding a valid license or comparable authority to practice public accounting. If the owner of the public accounting firm signing the verification is also the person supervising the experience, no second signature is required.

(2) Experience may not be supervised by a licensee who provides public accounting services to the applicant's employer.

(d) In order to demonstrate the completion of qualifying experience, an applicant for or holder of a California Certified Public Accountant license may be required to appear before the Qualifications Committee to present work papers, or other evidence, substantiating that his or her experience meets the requirements of Section 5095 of the Business and Professions Code and of subsection (b) of this section.

(e) The applicant who is applying with attest experience obtained outside the United States and its territories must present work papers substantiating that such experience meets the requirements of subsection (b) and generally accepted auditing standards. Alternatively, the applicant may acquire a minimum of 500 hours of United States experience which meets the requirements of Business and Professions Code Section 5095 and subsection (b).

(f) The applicant who is applying with experience obtained five (5) or more years prior to application may be required to obtain 48 hours of continuing education courses in specific areas prescribed by the Board.

(g) The experience required by Section 5095 may be obtained in full-time or part-time employment.

NOTE: Authority cited: Sections 5010 and 5095, Business and Professions Code.

Reference: Section 5023, 5092, 5093, and 5095, Business and Professions Code.

### HISTORY:

1. New section filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24).

2. Redesignation of portion of subsection (c) as new subsection (c)(1) and new subsection (c)(2) filed 7-19-2004; operative 8-18-2004 (Register 2004, No. 30).

3. Repealer of subsection (g), subsection relettering and amendment of Note filed 5-1-2006; operative 5-31-2006 (Register 2006, No. 18).

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### **Section 13. Applicants Who Applied for the Examination Prior to May 15, 2002.**

(a) Only an applicant who applied, qualified, and sat for at least two subjects of the examination as a California applicant prior to May 15, 2002, may satisfy the examination requirement and qualify for licensure under the requirements that were in effect on December 31, 2001. Such California applicant must, however, qualify and apply for licensure prior to January 1, 2010. Sections 7, 9, and 11.5 of these regulations apply only to these applicants.

(b) As an alternative to qualifying for licensure in accordance with the requirements described in subsection (a), an applicant for the Certified Public Accountant license who applied, qualified, and sat for at least two subjects of the examination as a California applicant prior to May 15, 2002, may qualify for licensure by meeting the requirements of Business and Professions Code Section 5092 or 5093 and the requirements of this article. The applicant may retain the examination scores he or she has received and may apply these scores toward meeting the requirements of Section 5092 or 5093.

NOTE: Authority cited: Sections 5010, 5092, and 5093, Business and Professions Code.  
Reference: Section 5090, 5092, and 5093, Business and Professions Code.

#### HISTORY:

1. New section filed 6-12-2002; operative 6-12-2002 pursuant to Government Code section 11343.4 (Register 2002, No. 24). For prior history, see Register 83, No. 16.
2. Change without regulatory effect amending sections (a) and (b) filed 10-11-2005 pursuant to section 100, title 1, California Code of Regulations (Register 2005, No. 41).